ERCOT
The Texas Connection

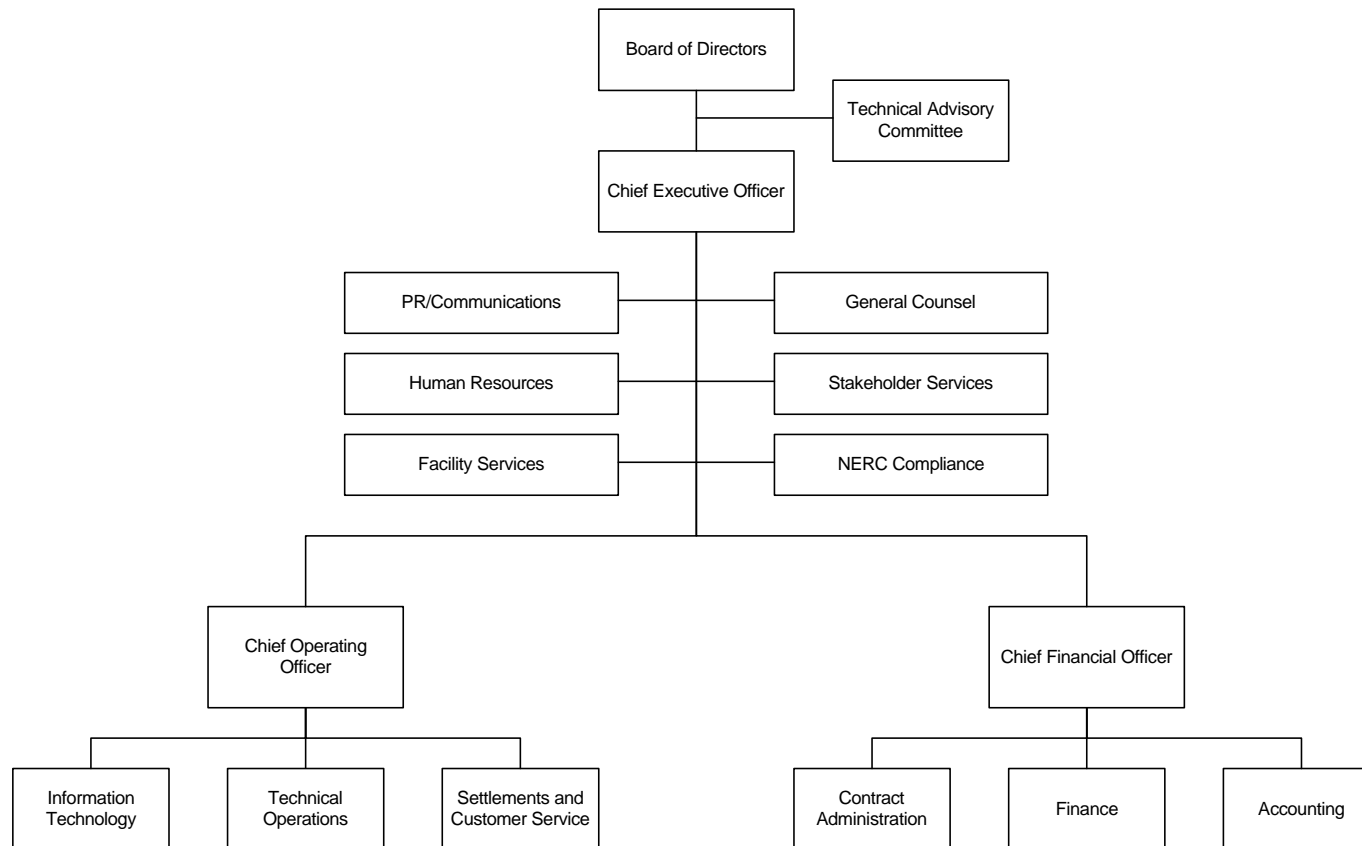# ERCOT Presentation To The
RTO-West Workshop
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By:

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ERCOT OASIS at http://oasis.ercot-iso.com

ERCOT
The Texas Connection

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                        Board of Directors
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                      Chief Executive Officer
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        PR/Communications      |        General Counsel
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        Human Resources        |        Stakeholder Services
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        Facility Services      |        NERC Compliance
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  Chief Operating                              Chief Financial Officer
     Officer                                            |
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  |        |           |                    |           |           |
Information Technical  Settlements and   Contract     Finance   Accounting
Technology Operations Customer Service  Administration
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8/29/00

What Is ERCOT?

- An Intrastate Interconnection

- 85% of Texas electrical load

- 10 Control Areas

- 55,800 MW peak demand as of 7/20/00

- 63,000 MW of generation

- Average annual load growth of 4.2%

- Wholesale ISO has been in operation since late 1996 - responsible for:
  - Reliability of the Interconnection
  - Energy transaction Scheduling and accounting
  - Supervision of transmission planning and acquisition

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ERCOT Is Expanding The ISO To Comply With Recent Texas Legislation (SB 7)

- Establishes retail access in IOU service areas
  - Munis and Coops can "opt out"
- Requires ERCOT ISO to:
  - Oversee the reliability of the Interconnection
  - Ensure fair access for all participants
  - Ensure accurate wholesale energy accounting
  - Ensure customer information is conveyed to the proper parties in a timely manner

ERCOT Is Transitioning To
A Single Control Area Interconnect

- Simplifies settlement of retail access market

- Eliminates Control Area advantages

ISO will operate the grid

- ISO performs load balancing

- ISO performs frequency regulation

- Uses ancillary services provided by the market participants and purchased through bids
  - Market can provide 55% over 38 MW
  - ISO purchases the remainder using a bid market

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No benefit analysis performed – built in response to a Public Utility Commission of Texas rulemaking

Formed through a consensus industry wide filing

Started up in a sequential manner as functions were available for use

Original cost of about $6,000,000

Original staff of 28 – grew to 45 for wholesale operations

8/29/00